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# Optimization at Container Terminals

## *Status, Trends and Perspectives*

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# Outline

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- Introduction
- Planning levels
- Terminal operations
- Yard optimization
- Issues in yard management
- Transshipment: a new approach
- Conclusions

# Introduction

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- Growth of container sea-freight transportation.
- Competition among terminals in terms of:
  - Service (ship's turnaround time);
  - Productivity (TEUs per year).
- Issues: traffic, congestion and capacity limits.
- OR techniques can improve the efficiency of terminal operations.

# Planning Levels at Container Terminals

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- Strategic Level

Long-term decisions regarding:

- Resources (terminal's equipment, infrastructure, layout etc.);
- Strategic alliances with shipping companies and other terminals.

- Tactical Level

Mid-term and short-term decisions regarding:

- Size of the equipment fleet;
- Storage policies for containers;
- Berth and yard templates.

- Operational Level

Daily and real-time decisions regarding all the terminal operations.



# Terminal Overview



# Terminal Operations

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- Ship-to-Shore

Berth Allocation; Quay Cranes Scheduling; Ship Loading Plan.

- Transfer

Quay-Yard; Yard-Yard; Yard-Gate.

- Storage

Yard Management (Block and Bay Allocation); Yard Crane Deployment

- Delivery and Receipt

Gate management; Interface with trains and trucks.

In addition to the traditional flow: transshipment containers.

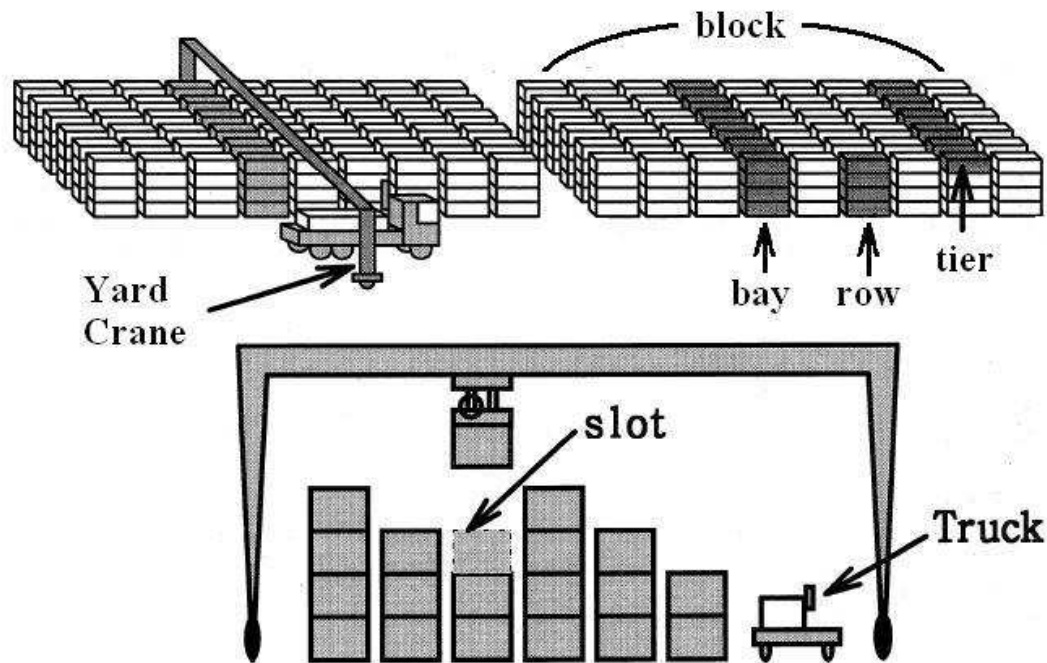
*Vis and de Koster (2003); Steenken et al. (2004); Henesey (2006).*



# Yard Overview

The yard serves as a buffer for loading, unloading and transshipping containers.

The yard is separated into blocks. The position of the container inside a block is identified by bay, row and tier.



# Yard Optimization

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- Storage policies for groups of containers at block and bay level, in order to:
  - balance the workload among blocks;
  - minimize the total distance covered to shift containers from quay to yard.

*de Castilho and Daganzo (1993); Kim et al. (2000); Kim and Park (2003); Zhang et al. (2003); Kim and Hong (2006); Kang et al. (2006); Lee et al. (2006).*

- Re-marshalling of containers according the ship loading plan, in order to:
  - speed-up loading operations and thus minimize ship's turnaround time.

*Kim and Bae (1998); Lee and Hsu (2007).*

- Yard cranes deployment (allocation of cranes among blocks, routing and scheduling of operations), in order to:
  - minimize the completion time of jobs.

*Kim and Kim (1997); Linn et al. (2003); Zhang et al. (2002); Kim et al. (2003); Ng and Mak (2005); Ng (2005); Kim et al. (2006); Jung and Kim (2006).*



# Issues in Yard Management

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The yard is usually the bottleneck of the terminal.

Traffic, congestion and capacity issues originate from here.

Main issue: the “schedule” of the outgoing flow is unknown to the terminal.

- Import/export terminals: yard management is strictly connected to gate operations (trucks).
- Transshipment terminals: yard management is strictly connected to mother vessels and feeders.

# Gate Issues

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*An import/export terminal: port of Antwerp, Belgium.*

## Issues:

- unknown dwell time;
- congestion and queues.

## Possible solutions:

- Vehicle Booking System (VBS): Southampton, 2005;
- Pricing policies (soft time windows; dwell time).

# Transshipment: An Overview

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*A transshipment terminal: port of Gioia Tauro, Italy.*

- Containers are exchanged between mother vessels and feeders.
- Market players: the terminal interacts with big shipping companies and feeders.
- Peculiarities of the transshipment flow:
  - Arrival and departure positions and times can be known in advance;
  - Concurrency of loading and unloading operations.
- Definition of new transshipment-related problems:
  - Service Allocation Problem (*Cordeau et al., 2007*);
  - Group Allocation Problem (*Moccia and Astorino, 2007*);
  - Short Sea Shipping: Barge Rotation Planning (*Douma et al., 2007*).

# Transshipment: A New Approach

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We introduce:

- Interactions of the terminal with the other market players:
  - Negotiation between terminal and feeders on the arrival time.
- Integration of berth and yard planning:
  - Simultaneous assignment of berths and blocks in the yard to the feeders.

Research plan on 2 levels:

## 1. Optimization

We assume that the terminal can decide the schedule of feeders.

## 2. Negotiation

We aim to support the terminal in its negotiation with ad-hoc pricing policies.

# Transshipment: A New Approach

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Optimization framework:

## 1. Berth & Block Allocation Problem (BBAP):

- Minimize the total distance quay-yard;
- Balance workload among yard blocks.

## 2. Scheduling of feeders:

- Minimize congestion in yard blocks.
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- We search for a global optimal solution minimizing the objectives.
  - Congestion is minimized given the optimal BBAP.
  - A branching strategy explores Pareto-optimal solutions of BBAP.



# Conclusions

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- Focus on yard management and its interactions with:
  - gate operations;
  - transshipment flow.
- A new approach in the optimization of transshipment operations:
  - combined assignment of berths and blocks to feeders;
  - scheduling of feeders.
- Pricing policies to support the terminal in the negotiation with feeders.

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